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By: **Delegates Morhaim, Elliott, Hammen, and Nathan-Pulliam**

Introduced and read first time: January 16, 2004

Assigned to: Health and Government Operations

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A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Coverage for Children**

3 FOR the purpose of requiring certain health insurance policies and contracts that  
4 provide coverage for family members to provide coverage for certain children  
5 under certain circumstances; establishing conditions that a child must meet to  
6 be eligible for certain coverage under the policy or contract; permitting a child to  
7 qualify for certain coverage under certain circumstances; specifying that a  
8 child's spouse does not qualify for certain coverage; authorizing an insurer,  
9 nonprofit health service plan, or health maintenance organization to require  
10 certain proof; requiring an insurer, nonprofit health service plan, or health  
11 maintenance organization to pay the cost of certain proof; authorizing an  
12 insurer, nonprofit health service plan, or health maintenance organization to  
13 impose certain cost-sharing requirements under certain circumstances;  
14 authorizing an insurer, nonprofit health service plan, or health maintenance  
15 organization to price certain coverage in a certain manner; requiring the  
16 insured, subscriber, employee, or member to request certain coverage for a child  
17 during certain time periods; providing for the application of this Act; defining a  
18 certain term; and generally relating to coverage for children under policies or  
19 contracts of health insurance.

20 BY adding to  
21 Article - Insurance  
22 Section 15-416  
23 Annotated Code of Maryland  
24 (2002 Replacement Volume and 2003 Supplement)

25 BY adding to  
26 Article - Health - General  
27 Section 19-706(zz)  
28 Annotated Code of Maryland  
29 (2000 Replacement Volume and 2003 Supplement)

30 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
31 MARYLAND, That the Laws of Maryland read as follows:

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**Article - Insurance**

2 15-416.

3 (A) IN THIS SECTION, "CONTINUOUSLY INSURED" MEANS THAT AN  
4 INDIVIDUAL HAS BEEN INSURED UNDER A HEALTH INSURANCE POLICY OR  
5 CONTRACT WITHOUT A BREAK IN COVERAGE OF MORE THAN 62 DAYS.

6 (B) THIS SECTION APPLIES TO:

7 (1) EACH INDIVIDUAL HEALTH INSURANCE POLICY THAT:

8 (I) PROVIDES COVERAGE ON AN EXPENSE-INCURRED BASIS; AND

9 (II) PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE  
10 INSURED;

11 (2) EACH GROUP HEALTH INSURANCE POLICY THAT:

12 (I) PROVIDES COVERAGE ON AN EXPENSE-INCURRED BASIS FOR  
13 EMPLOYEES OF AN EMPLOYER OR EMPLOYERS OR MEMBERS OF A UNION OR  
14 UNIONS; AND

15 (II) PROVIDES COVERAGE FOR A FAMILY MEMBER OF A COVERED  
16 EMPLOYEE OR MEMBER; AND

17 (3) EACH INDIVIDUAL SERVICE OR INDEMNITY CONTRACT THAT:

18 (I) IS ISSUED BY A NONPROFIT HEALTH SERVICE PLAN; AND

19 (II) PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE  
20 SUBSCRIBER.

21 (C) EACH POLICY OR CONTRACT SUBJECT TO THIS SECTION SHALL PROVIDE,  
22 ON REQUEST OF THE INSURED, SUBSCRIBER, EMPLOYEE, OR MEMBER, HEALTH  
23 INSURANCE BENEFITS TO A CHILD OF THE INSURED, SUBSCRIBER, EMPLOYEE, OR  
24 MEMBER UNTIL THE CHILD IS 30 YEARS OF AGE.

25 (D) (1) TO BE ELIGIBLE FOR COVERAGE UNDER SUBSECTION (C) OF THIS  
26 SECTION, A CHILD MUST BE CONTINUOUSLY INSURED FOR AT LEAST THE PREVIOUS  
27 2 YEARS.

28 (2) A CHILD MAY QUALIFY FOR COVERAGE UNDER SUBSECTION (C) OF  
29 THIS SECTION REGARDLESS OF WHETHER THE CHILD:

30 (I) RESIDES WITH THE INSURED, SUBSCRIBER, EMPLOYEE, OR  
31 MEMBER;

32 (II) IS A DEPENDENT OF THE INSURED, SUBSCRIBER, EMPLOYEE,  
33 OR MEMBER; OR

1 (III) IS MARRIED.

2 (E) IF A CHILD IS MARRIED, THE COVERAGE REQUIRED UNDER THIS SECTION  
3 SHALL BE AVAILABLE ONLY TO THE CHILD OF THE INSURED, SUBSCRIBER,  
4 EMPLOYEE, OR MEMBER AND NOT TO THE CHILD'S SPOUSE.

5 (F) (1) AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH  
6 MAINTENANCE ORGANIZATION MAY REQUIRE PROOF THAT THE CHILD TO BE  
7 COVERED UNDER THE POLICY OR CONTRACT:

8 (I) IS THE CHILD OF THE INSURED, SUBSCRIBER, EMPLOYEE, OR  
9 MEMBER;

10 (II) IS LESS THAN 30 YEARS OF AGE; AND

11 (III) HAS BEEN CONTINUOUSLY INSURED FOR AT LEAST THE  
12 PREVIOUS 2 YEARS.

13 (2) IF THE INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH  
14 MAINTENANCE ORGANIZATION REQUIRES PROOF UNDER THIS SUBSECTION, THE  
15 INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH MAINTENANCE  
16 ORGANIZATION SHALL PAY THE COST OF THE PROOF.

17 (G) THE COVERAGE REQUIRED TO BE OFFERED UNDER THIS SECTION MAY  
18 BE:

19 (1) SUBJECT TO A COPAYMENT OR COINSURANCE REQUIREMENT OR  
20 DEDUCTIBLE THAT AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH  
21 MAINTENANCE ORGANIZATION IMPOSES FOR SIMILAR COVERAGES UNDER THE  
22 SAME POLICY OR CONTRACT; AND

23 (2) PRICED AT A RATE APPROPRIATE TO THE COST OF THE COVERAGE  
24 BASED ON UNDERWRITING STANDARDS.

25 (H) AN INSURED, SUBSCRIBER, EMPLOYEE, OR MEMBER WHO ELECTS TO  
26 REQUEST THE COVERAGE SPECIFIED UNDER SUBSECTION (C) OF THIS SECTION  
27 SHALL REQUEST THE COVERAGE:

28 (1) FOR A GROUP HEALTH INSURANCE POLICY, DURING AN OPEN  
29 ENROLLMENT PERIOD PROVIDED FOR UNDER THE POLICY; OR

30 (2) FOR AN INDIVIDUAL HEALTH INSURANCE POLICY OR INDIVIDUAL  
31 SERVICE OR INDEMNITY CONTRACT, WITHIN 30 DAYS BEFORE THE ANNIVERSARY  
32 DATE OF THE POLICY OR CONTRACT.

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**Article - Health - General**

2 19-706.

3 (ZZ) THE PROVISIONS OF § 15-416 OF THE INSURANCE ARTICLE APPLY TO  
4 HEALTH MAINTENANCE ORGANIZATIONS.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to  
6 all policies and contracts issued, delivered, or renewed in the State on or after  
7 October 1, 2004. Any policy or contract in effect before October 1, 2004, shall comply  
8 with the provisions of this Act no later than October 1, 2005.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take  
10 effect October 1, 2004.